

**FACTORS INFLUENCING GROWTH OF SALES IN THE HOSPITALITY
INDUSTRY IN KENYA: A CASE STUDY OF NAIROBI SERENA HOTEL**

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DECLARATION

Declaration by the Student

This project is my original work and has not been presented for a degree in any other University

Signature.....

Date

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Declaration by the Supervisor

This project has been submitted for examination with my approval as University Supervisor

Signature.....

Date

MR. TOM KAWINO

DEDICATION

This project is dedicated to my wife Mrs. Janet Korir and Mr. Muthoki Usyu-HR Manager Serena hotel who have always been there for me. May God accord them good health, joy, peace, long life and above all, God's everlasting love.

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ABSTRACT

The purpose of the study was to assess the factors influencing growth of sales in the hospitality industry in Kenya, while the Specific Objectives are: To establish the effect of advertising on growth of sales in Serena Hotel; To determine the effect of pricing on growth of sales in Serena Hotel; To find out the effect of customer service on growth of sales in Serena Hotel; To assess the effect of competition on growth of sales in Serena Hotel. The significance of the study is to the Management of Nairobi Serena Hotel and Other Hotels. The study adopted descriptive research design. The target population of the study was 150 of the employee at the Nairobi Serena Hotel. The sampling technique used was stratified random sampling. Secondary and primary data was collected using a self-administered questionnaire. The questionnaire was piloted in order to check for reliability. Questionnaires was administered through drop and pick method. The data collected was analysed using various statistical tools and instruments such as, correlation analysis. The findings obtained revealed that the most adopted penetration strategy was penetration pricing on services, the most adopted marketing strategy was making hotel brand visible to the niche market, most adopted product development strategy was existence of promotion strategies while diversification adopted to the largest extent was maintaining of strong customer relationship. On the relationship that existed between the study variables, product development strategies, market development strategies and penetration strategies had a positive relationship implying that the marketing strategies application positively influenced performance of hotels. Multiple regression analysis obtained a positive coefficient of correlation implying that product development strategies, diversification strategies, market development strategies and penetration strategies had a positive effect on organization performance. The study concluded that marketing strategies positively affects performance of large hotels in Nairobi. From the findings, several recommendations are made. To begin with, the performance of the organization may be determined greatly by the type of marketing strategies employed. The study thus recommends that the implementation process of these marketing strategies should be given top priority during the strategy formulation process. Particularly, adequate time and resources should be allocated in ensuring that the strategies are implemented successfully. Further, the marketing strategies adoption should be supported by an understanding of the hotel industry structure, the needs of target customer segments, positional advantages being sought, and trends in the environment. This will consequently improve on the firm's market revenue, share and profitability. Additionally, the organizations should focus more on the practices that are likely to accrue more benefits. This should therefore go a long way in not only boosting but also improving the organization performance at large.

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LIST OF ACRONYMS AND ABBREVIATIONS

ACIAS	Adequate and Competent Internal Audit Staff
AIAC	Approved Internal Audit Charter
CFIA	Competency Framework for Internal Auditing
IAE	Internal Audit Effectiveness
IIA	Institute of internal auditors
IA	Internal Auditors
MoFED	Ministry of employee competence and Economic Development
MS	Management Support
MP	Management perception
OLS	Ordinary Least Square
OIN	Organizational Independence
OAG	Office of the Audit General
SAP	Statement on Auditing Practice
SPSS	Statistical Package for Social Science
3Es	Effective, Efficient and Economical

CHAPTER ONE

INTRODUCTION OF THE STUDY

1.0 Introduction

This study covered investigation on the factors affecting growth of sales in the hospitality industry in Kenya with reference to Nairobi Serena. This chapter consists of six sections .i.e. the background of the study, statement of the problem, objectives of the study, research questions, and significance of the study and the scope of study.

1.1 Background of the Study

All organizations, hotels included require sales strategies to thrive and remain competitive in their industries. Considering the dynamic nature of the hospitality industry, various hotels ought to change their sales strategies quite often to cope with the changing needs in the market and also remain ahead of competition (Kotler 2000). To attain a sustainable competitive edge, an organization needs to identify its main strength and position itself in such a manner that is above competition in that segment (Johnson & Scholes, 2002). So as to create a distinct competitive advantage over rivals, a firm must select right combination of target markets and sales mix. Hotels continually seek new ways to acquire, retain and increase business, because the cost of losing customers is rising. Service is an important factor in retaining clients. The role of service is more important than ever, and is expected to become even more critical with time (Choi & Chu, 2011). Hotels that have the ability to attract, satisfy and thus retain customers are more likely to survive than hotels that do not do so. Successful customer retention allows the hotel to build relationships with its customers.

It is very difficult for a business organization to survive and remain competitive in a dynamic market without injecting various sales strategies to its operations. In this study, Ansoff growth matrix Model and sales mix strategies shall illustrate the effect of sales to performance of hotel business organizations. Performance of hotels in Kenya has been seen to deteriorate in the past few years as evidenced by a number having to even close down (Najib, et al, 2016). This raises much concern because tourism contributes largely to Kenyan economy and if the hotels hosting these tourists do not perform well as expected, the tourism contribution to GDP ultimately gets affected. Particularly, the recent experienced insecurities in Kenya have geared the performance of the hotels to the worst. Though measures to improve the security in the hotels have been put in place e.g. hotels like Intercontinental and Kempinski have

sniffer dogs at security check points, the tourist levels still remain low. This is attributed greatly to uncertain situations that had been created by the insecurities, leading to travel advisories being put across last year 2015 that led to travel cancellation of most of the tourists from other countries. Hence managers have been necessitated to come up with new strategies to ensure thriving of their hotels.

Sales strategies in a business acts as key to the business growth and to the customers satisfaction in terms of achievement made by the organization. The environmental forces which affect the business in attaining its needs require to be detected in advance and handled well to enable the business to meet its vision and mission. Strategies of organizations enable evaluation of the long and short term goals thus making it possible to achieve the objectives in specified period. A Business or firm should have a unique strategy for effective competitiveness, growth and profitability of the business.

Sales department should be updated with recent information; thus should be active (Cohen, 2011). The organization or firm should be in a position to establish a sales framework for easier accessibility of frequently updated websites, announcements, sales presentations, and all other promotional materials. The frequent updates enable the organization in quick and easy development in different departments which makes it expand more to the international business, Sales framework is very essential to the business sector as it gives the continuous flow of the business information daily, monthly, and yearly. Sales strategy is a method of directing an organization's energies and resources on a course of action which can lead to increased sales and dominance of a targeted market niche. A sales strategy combines product development, promotion, distribution, pricing, relationship management and other elements (Hose, 2011). These strategies identify the firm's sales goals, and explain how they was achieved, ideally within a stated timeframe. Sales strategy determines the choice of target market segments, positioning, sales mix, and allocation of resources.

1.2.1 Profile of the Nairobi Serena Hotel

Serena hotels and lodges is owned and operated by the Aga Khan fund for economic development when the Tourist Promotion Services (TPS) Serena groups was established in the mid 70s the aim was simple but challenging to become the leading group in East Africa. Today this goal has been made a reality giving the Serena hotels an international recognition as a clear market leader offering the highest standards services in establishing a unique design in prime location throughout the region. The key aim of the Serena hotels is to assist developing countries to expand their economies and maintain a development philosophy focusing on the creation of local employment, design operation paying attribute to the environment.

The Nairobi Serena hotel in particular is a member of the prestigious hotels of the world while Zanzibar Serena inn and Kinawira camp are members of small luxury hotels of the world. Serena has the distinction of being the only purpose built hospitality network in East Africa and a massive investment programme has ensured that the group properties offers unveiling standards and facilities. Each property is enhanced by its unique surrounding and expands horizons for travelers while respecting local ways of life.

Serena hotel being an ecotourism pioneer, has a mandate of initiating important environmental programs to protect the continent's wildlife and fragile habitants, focusing on smaller, high quality wildlife experiences, Serena promotes sustainably designed lodges prides itself on good care of wildlife, and people. Its corporate environmental mission statement states, "we are committed to developing project that play the highest regards to environmental concern in design planning construction and operation.

Nairobi Serena hotel was started in 1975; it was officially opened on 1st February 1976. The hotel is located at the Uhuru Park along Kenyatta Avenue for its standards of products and services and it's a member of the leading hotels of the world. The hotel has conference facilities that can match everyone needs. The biggest has a capacity of upto 1000 people depending on the setting, other rooms are Amani, Lantana, Amani and Bambara lounge. There are 183 air conditioned bedrooms, 15 suites. Apart from its renowned health club, the hotel has a fantastic pool. Excursions

on offer include game viewing at Serena main safari hotels, visit to dance and cultural centers. For business travelers the hotel offers a full conference facilities and a business center with a good well established good customer care relations.

The guest rooms includes; the standard deluxe rooms which have the most modern amenities with both executive business traveler in mind. Each of this room is equipped with an electronic safe minibar, hair dryer, telephone, writing desk. A hotel courtesy bus operates from Monday to Saturday between the hotel and central business. Nairobi Serena hotel has unique facilities as borehole and 24 hour automatic power generator to curb customer's inconvenience.

1.2 Statement of the Problem

Service Sector forms substantial contribution to Kenyan GDP; about 53.3% as per 2013 Global finance report. Hospitality sector where hotels fall forms a significant portion of this contribution. In the past couple of years we have affirmed a significant drop in performance of this sector. There are a number of reasons behind this mainly; Weak sales strategies adopted by different hotel chains and high level of insecurity in the country majorly caused by terror attacks. Hotels in Kenya operate in a dynamic business environment characterized by intense Competition for resources and market share hence have become more challenging to manage and sustain their growth rate. Kamau (2008) stated that the Kenya tourism sector which hotels in Kenya depend on has been facing numerous challenges which have posed a threat to their survival and growth. These challenges include competition for resources, skilled labour and market share, socio-cultural changes, technological changes, economic challenges, changes in Customers' expectation and preferences and insecurity due to terrorism an issue that has become major in recent years. The dynamism of this environment calls for appropriate growth strategies that will enhance good performance.

Related studies have been done on sales strategies and the performance of organizations. To begin with, internationally, various researchers have conducted on the role of strategy in competing successfully with other hotels such as Enz (2011). McCarthy (2000) in a study on strategies of hotels in USA argued on the achievement and growth of organization using Ansoff's growth strategy. Other researchers locally, Magunga (2010) in his study on the effects of sales strategies on performance of Insurance Industries in Kenya. He further argues that the major contributors to the

sector performance are the sales strategies adopted by insurance companies. Similarly, Ayele (2012) and Richard (2013) also conducted studies on strategies adopted to gain competitive advantage. They established differentiation and market development strategies to be used more.

Though various studies have been conducted in the sector, the available theory is not sufficient enough in explaining the impact the sales strategies have on the performance of the organizations. This study will aim to shed more light into this and aim to answer the research question; what is the relationship between sales strategies and performance of the Nairobi Serena hotels in Kenya?

1.3 Objectives of the Study

1.3.1 General Objective

The Main objective of the study was to assess the factors influencing growth of sales in the hospitality industry in Kenya

1.3.2 Specific Objectives

- i. To establish the effect of advertising on growth of sales in Serena Hotel.
- ii. To determine the effect of pricing on growth of sales in Serena Hotel.
- iii. To find out the effect of employee skill on growth of sales in Serena Hotel.
- iv. To assess the effect of competition on growth of sales in Serena Hotel.

1.4 Research Questions

- i. How does advertising affect growth of sales in Serena Hotel?
- ii. To what extent does pricing affect growth of sales in Serena Hotel?
- iii. To what extent does customer service affect growth of sales in Serena Hotel?
- iv. How does competition affect growth of sales in Serena Hotel?

1.5 Significance of the Study

1.5.1 Management of Nairobi Serena Hotel

The management of Serena Hotel can use the recommendations of this study in their day to day activities which are geared towards improving sales. The recommendations in this study are considered useful and therefore can be used to reform various functions within this organization to improve their dominance in the hospitality industry.

1.5.2 Other Hotels

This study can also be useful to upcoming hotels that have not found proper footing in hotel business. They can use various contributions from respondents detailing proper approach by which sales can be improved to attain maximum growth.

1.6 Scope of the Study

The study will focus on factors affecting the growth of sales in the hospitality industry in Kenya. The researcher chose to do a case study of the Serena Hotel in Nairobi City. The study was targeting 143 staff at the Serena Hotel in Nairobi City. Management and staff was the main target in the study. This study was conducted for five months from May 2018 to September 2018.

1.7Chapter Summary

This chapter contained the background of the study on the general understanding of growth of sales in the hospitality industry in Kenya. The chapter also covered the statement of the problem, objectives of the study, research questions, and significance of the study and scope of the study.

CHAPTER TWO

LITERATURE REVIEW

2.0: Introduction

This chapter discusses the theoretical review, the empirical literature review, the summary and research gaps to be filled by the study and the conceptual framework, the operationalization of variables and the chapter summary.

2.1: Theoretical Literature Review

2.1.1 The Universal Perspective theory

According to (Pearce, 2008) the universal perspective has been used previously to give an explanation for the link among HR Management and firm performance (Delery & Dorty, 2009). The perspective appreciates the price of HR in attaining sustainable advantage (Pfeffer, 1994). The perspective also acknowledges that the fee of HR may be carried out through the adoption and implementation of a particular set of HRM practices within the organization. The regularly occurring attitude implies a right away courting among a specific HRM method and overall performance, also called 'pleasant practices' or the main outcomes. Implicitly, the widespread angle provides a prescription of HR practices that are taken into consideration to offer superior performance the nature of the enterprise or region however. The first practice, internal profession possibilities, refers to recruitment of personnel from inside (inner labor market). The second one practice is great schooling and development of employees. Some corporations opt for obtaining fully trained employees but others recruit personnel to educate them on the activity. An appraisal may be behavior or end result primarily based.

Behaviour-based appraisals focus at the behaviors of character vital to carry out the job successfully, at the same time as results-oriented value determinations recognition on the outcomes of these behaviours. Fourth, income-sharing plans can also tie pay to company overall performance. Fifth the ranges to which employees are given employment safety, both everlasting and pensionable or brief/contractual employment. Sixth, voice mechanisms, formal criticism systems and participation in choice making. In the end, the degree to which jobs are tightly or narrowly described. Tightly described jobs are the ones for which personnel understand the contents in

their jobs. Such jobs are restricted in scope and incumbents do not perform obligations out of doors job. The 'first-class practices' prescription makes the familiar attitude inflexible and insensitive to the needs of the changing business environment (Chen, 2011). This theory provides a speculation on the relationship between hotels (lodge) overall performance and the way the employee at once influences into it.

2.1.2 Ansoff Growth Model

This matrix provides a simple way of generating four basic alternative directions for strategic development. This model explicitly considers growth options and an organization basically has a choice between penetrating still further within its existing market, develop new product for existing markets or take its existing products into new markets or full diversification by taking new products to new markets. The model provides strategic guidelines that can assist firms identify their future strategic growth direction and is used when firms are planning for growth. Ansoff presented a matrix that focused on the firm's present and potential products and market (consumers). In this model, potential areas where competencies and generic strategies can be adopted are provided in four broad alternatives; market penetration, market development, product development and diversification

Market penetration is where an organization decided to take an increasing share of its existing markets with its existing product range while product development is where organization delivers modified or new products to existing markets. On the other hand market development is where existing products are offered in new markets while diversification is a strategy that takes an organization away from both its existing markets and its existing products. A firm can use market penetration to develop the market with current products. Market penetration in existing markets aims at encouraging current customers to use more of the current product, to use it more often, or to use it in new ways. According to Walker et al (1999) penetration can be achieved through the following two possible strategic objectives: To increase the customers' awareness by means of heavy advertising, extensive sales force efforts, extensive introductory sales promotions, quick expanding of offerings and free trial offers. To increase the customers' ability to buy by means of penetration pricing, extended credit terms, heavy use of trade promotions and the offering of engineering, installation and training services.

Through product development, organizations' can grow by developing new product line extensions or by means of new product offerings. New products can also be called innovations. An innovation or innovative product is a product perceived as new by a potential consumer (Lamb et al, 2000). Existing products can be changed by means of product modification or current packaging may be changed. Potential consumers will regard such product as new and different from the existing product. Market development is a growth strategy where a new market is entered by an existing product dealing with the ways in which consumers become aware of, test and eventually accept or reject a new product item. The primary objective of market development is to secure future volume and profit growth (Walker et al, 1999).

This objective has become even more important in recent years due to the rapid advancement in technology and more intense competition globally. A steady flow of new products and services and the development of markets, including those in foreign countries, are essential for the continued growth of most organizations. The marketing function plays a pivotal role in the development of the market by means of speeding up innovations, and by utilizing marketing strategies during the different product life cycle phases. Chances for new market entry success by using current products are dependent upon the management of the new product development process (Jenkins, Forbes, Duranni and Banerjee, 1997). Organizations can develop markets and seek growth by diversifying their operations. Diversification is typically more risky or it involves learning new operations and dealing with unfamiliar customer groups. According to Walker et al (1999) diversification can happen through: Vertical or horizontal integration and related or unrelated diversification.

2.1.3 Resource-Based View/theory (RBV)

The RBV states that a firm develops aggressive benefit by way of not handiest obtaining but also growing, combining, and efficaciously deploying its physical, human, and organizational assets in methods that upload unique cost and are hard for competition to imitate (Barney, 1991). The RBV indicates that companies should look internally to their assets, each bodily and highbrow, for resources of competitive benefit. The resource-primarily based view has grow to be the fundamental theoretical foundation on which an awful lot of the modern-day strategic and employer overall performance management studies concerning knowledge-based totally views of the firm (supply, 2016), human capital ((Hitt, 2001), and dynamic capabilities are

derived. In fact, Priem, & Butler, (2012) mapped RBV research against eighteen strategy research topics, demonstrating the breadth of its diffusion in the strategic control area (Allen, 2007). Regardless of the huge recognition of the RBV, it isn't always without grievance. (Butler, 2001) Have suggested that the RBV does now not represent a true concept, their argument focuses by and large on basic troubles. First, they endorse that the RBV is basically tautological—that its primary assertions are genuine via definition and, as a consequence, not subject to empirical verification. In different words, without definitional dependence (i.e. 'precious assets') the diametrical statement – that precise companies own competitive advantage – does now not logically observe.

2.2 Empirical Literature Review

2.2.2 Advertising on growth of sales

Promotion strategies are concerned with the planning, implementation, and control of persuasive communication with customers. These strategies may be designed around advertising, personal selling, sales promotion, or any combination of all these. Kotler et al (2006) advices of well laid objectives and a sharp focus on target customers are necessary for an effective promotional program. An integrated communication plan consisting of various promotion methods should be designed to ensure that customers in a product/market cluster get the right message and maintain a long-term cordial relationship with an organization. Promotional perspectives must also be properly matched with product, price, and distribution perspectives. Strategies for development of promotional strategies include promotional expenditure strategy. Practitioners have developed rules of thumb for determining promotion expenditures that are strategically sound: either takes the form of a breakdown method or they employ the buildup method. Another approach regards marketing mix factor; the promotion decision should be made in the context of other aspects of the marketing mix (Porter, 1976).

The price and quality of a product relative to competition affect the nature of its promotional perspectives. Higher prices must be justified to the consumer by actual or presumed product Superiority. Thus, in the case of a product that is priced substantially higher than competing goods, advertising achieves significance in communicating and establishing the product's superior quality in the minds of

customers. An empirical study on this topic has shown that consumers prefer incentives other than price. Price cuts also appear to have little lasting effect on sales volumes.

Gibson (1991) talks of advertising strategies being concerned with communication transmitted through the mass media. Promotional mix strategy involves determination of a judicious mix of different types of promotion. Its objective is to adequately blend the three types of promotion to complement each other for a balanced promotional perspective. Media selection strategy entails choosing the channels (newspapers, magazines, television, radio, outdoor advertising, transit advertising, and direct mail) through which messages concerning a product/service are transmitted to the targets.

The relationship between advertising strategies and organization performance can be described by the four P's of advertising. Some scholars argued that a firm pursuing product adaptation strategy in a global market achieves increased sales performance (Leonidou et al, 2002). An empirical study conducted by Cavusgil and Zou, (2014) validated that product adaptation is not only linked to sales growth but financial performance of companies such as profitability and return on investment. Product adaptation as a global advertising strategy therefore positively affects overall business performance. It is therefore suitable strategy toward market responsiveness as it offers the development of new products that meet the needs of a changing marketplace. There is a strong positive link between pricing and firm's performance. Pricing strategy may vary market to market because of many reasons associated with the PESTEL model such as political, economic, social, technological, environmental and legal forces. However, the argument is valid to the extent that pricing strategy success is measured in terms of proportion of sales and profit level, and customer satisfaction.

Sales, financial and customer performance is achieved through promotional mix by gaining experience in the opportunities and problems arising in specific markets, boosting communication, personalizing relationships, and cultivating a team spirit with customers, and providing timely response and immediate support to the various needs (Kaynak and Kothari, 2014). The six related promotional mix is advertising; sales promotion, personal selling, trade fairs, personal visits, and promotion adaptation were found to be positively linked to firm performance (Styles and Ambler, 2014). With sound advertising procedures, the firm can communicate

information, constantly remind, and persuade customers to buy the products and, therefore, generate more sales. The study results by Cateora and Graham, (1999) verified that advertising positively influence sales performance and other organization performance greater than other promotional mix variables.

Distribution strategy carries a critical role in dealing with delivery time that influences the performance of the firm. The effectiveness and efficiency in the delivery time of the products constitutes a key to total firm performance in the market as it affects the firm's operations in terms of competitiveness and success (Piercy et al., 1997). The results of the study by Keegan, (1995) exhibited a positive correlation between distribution channel and sales performance. In addition, significant findings on delivery time which is a result of distribution structures put in place by a firm were also observed to be related to sales volume, proportion of sales, and certain composite performance measures. Many studies are in support of distribution adaptation toward achieving and improving firm performance.

Various studies have been conducted trying to establish the relationship that exists between advertising strategies and performance of organizations. To begin with, the study by Zott & Amit (2007) examined the fit between a firm's product market strategy and its business model. The study manually collected dataset and found that novelty-centered business models—coupled with product market strategies that emphasize differentiation, cost leadership, or early market entry—can enhance firm performance. Data suggested that business model and product market strategy are complements, not substitutes. The study was however limited in addressing how business models evolve and in particular how they co-evolve with the product market strategy of the firm. Arasa, and Gathinji, (2014) conducted a study to determine link between competitive strategies and organizational performance among firms in the mobile telecommunications industry in Kenya. The study identified the competitive strategies adopted by firms in the industry in Kenya, assessed the different levels of implementation of competitive strategies within the firms and examined the relationship between these strategies and firm performance. The research revealed that competition is high in the industry and product differentiation and low cost leadership are the most commonly used strategies. Other strategies include strategic alliance strategies and specific market focus strategies. The study concludes that the strategies adopted improve the overall firm performance. The key performance

indicators influenced by these strategies include sales and market share, customer retention, profitability and product innovation.

Ge and Ding, (2011) conducted a study on manufacturing firms in China and evidence found that the three dimensions of market orientation exert different effects on competitive strategy and performance. Among them, customer orientation has the strongest association with competitive strategy and market performance. The results of structural equation analyses indicated that the mediating effect of competitive strategy is mainly revealed in innovation strategy, the most vital factor in creating superior value for the company in the emerging market. Njeri et al, (2015) investigated the advertising strategies and competitiveness of four and five star hotels in Kenya. A comprehensive view of the advertising strategies of the hotels was provided by mapping out the place, product, pricing, people and promotion strategies. Clear links were also established between these strategies and the hotels' competitiveness. Dzisi and Ofosu (2015) investigated the effect of advertising strategies on the performance of SMEs in Ghana in terms of their profitability, brand awareness and market share. The overall results of this study suggest that strategic advertising are drivers of organizational positioning in a dynamic environment, and that it helps to enhance the development of new product/service for existing markets. Results of the study also reveal that the SMEs in Ghana mostly use traditional form of advertising to reach potential customers and also to entrench their brands.

Marketing is a continually evolving discipline and as such can be one that companies find themselves left very much behind the competition if they stand still for too long. One example of this evolution has been the fundamental changes to the basic Marketing mix. Where once there were 4 P's to explain the mix, nowadays it is more commonly accepted that a more developed 7 P's adds a much needed additional layer of depth to the Marketing Mix with some theorists even going further. McCarthy (1960) explains Marketing Mix as a tool used by businesses and Marketers to help determine a product or brands offering. He reduced the marketing mix into four elements namely product, price, place and promotion. In the late 70's it was widely acknowledged by Marketers that the Marketing Mix should be updated. This led to the creation of the Extended Marketing Mix by Booms & Bitner (1981) which added 3 new elements to the 4 P's Principle. This now allowed the extended Marketing Mix

to include products that are services and not just physical things. They include, People, Processes and Physical evidence.

2.2.2Pricing on growth of sales

Of all the aspects of the marketing mix, price is the one, which creates sales revenue - all the others are costs. The price of an item is clearly an important determinant of the value of sales made. In theory, price is really determined by the discovery of what customers perceive is the value of the item on sale. Researching consumers' opinions about pricing is important as it indicates how they value what they are looking for as well as what they want to pay. An organization's pricing policy will vary according to time and circumstances. Price Theory is concerned not with economic problems in the abstract, but with how a particular society solves its economic problems. Philip (1776) describes that it is also concerned with explaining economic activity in terms of the creation and transfer of value, which includes the trade of goods and services between different economic agents. A puzzling question addressed by price theory is for example: why is water so cheap and diamonds are so expensive even though water is critical for survival and diamonds are not.

Milton (2007) explains that in economics, the major division is between monetary theory and price theory. Monetary theory deals with the level of prices in general, with repeated and other fluctuations in total output, total employment, and the like. Price theory deals with the allocation of resources among different uses, the price of one item relative to another. Prices do three kinds of things. They transmit information, they provide an incentive to users of resources to be guided by this information, and they provide an incentive to owners of resources to follow this information. Milton Friedman's classic book provides the theoretical underpinning for and understanding of prices. Roughly a fifth of the cost of a product goes on getting it to the customer though figures vary widely from product to product

When suggesting that people may judge quality by price, Scitovsky (2014) pointed out that such behavior is not irrational; it simply reflects a belief that the forces of supply and demand would lead to a "natural" ordering of products on a price scale, leading to a strong positive relationship between price and product quality. Empirical attempts to verify this strong actual correlation have concluded that, generally, there is a positive correlation; however, though statistically significant, this correlation varies

considerably across product-markets, producing an average correlation (Tellis and Wernerfelt 2015).

Pricing is the measure of what must be exchanged in order to obtain a particular product or service. Pricing goes by many other names; rent fees, fare, interest, premium, salary and even wages. All this name add up to one thing; what a customer's pays for a product or a service. In good marketing of an organization is to know what competitors charge when the competitors' information Pricings are available. This is not necessarily benchmarking Pricings with those of the competitors. The marketing manager may decide to his Pricings lower or higher than competitors by a certain percentage. The important feature of this pricing method is that the hotel tries to maintain a rigid relation between its Pricings and its costs or demand. The hotel will change theirs even if it's own costs have not altered. Kibera (2014)

According to Vernon R. Stauble (2014), pricing is an ethical concern, particularly when Pricing is set at a higher level in order to suggest higher quality. This stems from customers perceptions that higher quality is associated with higher Pricings. Raised Pricing can affect customers buying decisions, sending customers the messages that they can expect to get more for the money, since they are paying higher Pricings. This is not always true even though there is some truth saying "You get what you paid for". Customers react negatively to unethical attempts that use pricing to mislead them. To prevent this from happening honest pricing should be used to reflect the benefits available in satisfying customers' requirements. He also stressed that customers are always interested in getting bargains but do not like sacrificing quality for the Pricing. When the initial Pricing of a service or a product is set low could convey to the buyer that the product or the service must be inferior. The customers' decisions are perceived according to the value of the offer and what they are willing to pay. Therefore, involvement of customers in cases of best discounts is essential. However, lower Pricings lower than competitors Pricings may lead to customers doubting the value but also it might seem to be a better value or perceived as of less quality.

Kottler (2013) stresses that a hotel must set its Pricings in relation to the value perceived and delivered to the customer. He says a hotel must set a Pricing for the

first time when it develops a new service or a product. And when is put into practice, a hotel has to consider several factors namely; selecting the Pricing, objectives of the Pricing, competitors cost and consumer assessment. He further stresses that the Pricing decisions are subject to arrangement of complex environment and competitive forces. A hotel set a not just a single Pricing but sets a pricing structure that covers various items in its line. Pricing changes as product and services advances and the hotel adjust the Pricing according to the demand and to account for variation in buyer's situation (customer). Customers will base their judgment of a service or a products value with the Pricings charged. These have a great impact on customer pricing sensitivity. Customers were more sensitive if they see few differences between competing services or products. Customers will go for services which costs least. Product and service comparisons help customers to assess the value of different options and to decide what Pricings they are willing to pay. Customers were more Pricings sensitive if they can easily switch to an alternative service which satisfies them. Therefore, the firms in the hotel industry should consider and be certain to give customers superior value for that considerable Pricing.

Harper (2015), Pricing can be used as a tool to induce customers to acknowledge additional points of differentiation. Pricing can be an indicator of quality of a product or a service and also assist a hotel to gain a sales growth in the hotel industry in that; the low pricing will attract and induce customers to purchase the hotel product and higher Pricings will create quality image. There has been a difficult in applying the basic pricing theory in practice though it serves as a useful starting point. The theory states that the hotel should seek the Pricing which maximizes profits and will thereby obtain the most efficient use of the economic resources held by the firm. By applying this theory it will mean that a hotel pursues selling concept rather than marketing concept that aims at satisfying customer needs and wants efficiently and profitably.

The pricing of a product plays two major roles in market. Pricing firstly influence how much of a product consumers or buyers purchase. Generally speaking potential customers look for a Pricing that reflects the benefits they think they will receive from the product. They also consider Pricing of a product relative to that of competitive offering. Pricing secondly, the Pricing was profitable to the marketer or the seller or in the case of non-profit making organizations, whether enough money was raised to

enable the organization to carry out its tasks. These two roles make setting of Pricing of a product one of the most important marketing decisions. Strydom and Cant (2014)

The consumer/ customer plans for a product or a service he / she is willing to buy and judges the Pricings comparatively with reference Pricings in order to determine whether the Pricing is acceptable or not (Alvarez and Casielles, 2014). They also said that a result of consumer comparison between the Pricings and the reference Pricings. The consumer perceives gain when the preference Pricing is higher than the observed Pricing and if the observed Pricing is higher than the reference pricing the customer experiences a loss. The more the quality of the product/ service possesses the more the utility it contains and the more pricing should be in the market. Pricing is also the process of determining what a hotel will receive in exchanged for its products and services. Pricing is also an indicator of quality participating for the first time buyer and while remains so subsequent purchases are more concerned with judgment of value for money. Many companies stress on low Pricings and discounts in their advertising to capture the interest of Pricing-conscious customers. Christopher Groening (2011) contends that improving customer satisfaction is the better way to drive sales. Customers who are satisfied are more likely to spread the word,' come back for one more time and pay for quality products and services.

According to J Paul Peter (2014), pricing decisions concern primarily the nature of the target market and expected reactions of a customer to given Pricing or changes in Pricing. Buyer subjective perceptions of Pricing concluded that very little is known about how Pricings affect buyers' perceptions of alternative purchase offers and how these perceptions affect purchase response. However, some tentative generalization about how buyers perceive Pricing has formulated. For example, research has found out that person who chooses high Pricing items usually perceive large quality variations within product quality and person who select low Pricing items usually perceive small variations. Therefore, when setting pricing objectives and developing pricing strategies, it is worth the effort to do pricing research to see what Pricings the customers are willing to pay.

2.2.3Employee Skill on growth of sales

Researchers have emphasized the importance of the ability to identify skills, knowledge factors and competencies required by personnel as they attempt to ensure

their firm's competitiveness and success in today's fast-changing business environment (Chung-Herrera, Enz, & Lankau, 2014; Kay & Moncarz, 2004). Personnel employed in the hospitality sector, due to the nature of the industry have to possess a variety of skills. They also tend to be more inclined to value work enjoyment (Brauer & Leischning, 2016). In today's global economic setting of dynamic changes and increased competition, it is important for hospitality students, educators and managers to understand the competencies needed for success by tomorrow's industry leaders (Tomatzky & Klein, 1982).

Organizations should find efficient ways to assign workers to jobs (Brilon, 2015). In most organizations, the performance of a worker depends on many things, such as one's expertise level, one's concentration and organizational capacity, as well as one's analytical and communication skills. As workers move up in the pecking order or switch jobs, the relative importance of each of these skills changes. Yet, organizations frequently can only detect a collective performance measure on which to base their decisions when deciding on promotions or allocating tasks. Therefore, presented with such a scenario, only specific workers should get reassigned or promoted and performance in one job may act as an indicator for performance in another job (Brilon, 2015).

In order to allocate tasks or decide on promotions, organizations need to concentrate on learning the skill portfolio of its employees. Organizations also need to abstract from any considerations concerning wage costs or workers' incentives and instead, focus on the task assignment problem when workers vary in their skill levels where different tasks require different combinations of skills (Gathmann & Schonberg, 2010). This allows the organization to focus optimal assignment rules for workers and how different jobs should be categorized within a job hierarchy or rotation scheme.

Waldman (2014) and Bernhardt (1995) assume that the ability of a worker is observed only by his present employer, but not by potential competitors. As Waldman (2014) has revealed, competition for highly skilled employees then may lead to an inefficient assignment of workers to jobs since firms was unwilling to disclose confidential details about the worker's ability by promoting them. As discussed in Bernhardt (1995), this may assist in giving an explanation on a given number of observations typically made in the labor market. Overall, organizations' unwillingness to promote

will intensify the greater the discrepancy between their private and the publicly available data on an employee, as shown by his schooling and past promotion path.

Similar to Waldman and Bernhardt (Waldman, 2014; Bernhardt, 1995), most research on job assignment assume that workers' abilities vary along a unitary dimension (“universal ability”) but do not contemplate that employees may possess many skills that matter for their performance. Others note that employees may have relative advantage in one task. By considering several skills, organizations can capitalize on the concept of task-specific skills introduced by Gibbons & Waldman (2004; 2006).

Lazear (2009) proposes a prototype with two abilities that are utilized with varying intensity in different organizations, thus reassessing the denotation of firm-specific skills. Gathmann and Schonberg (2010) analyze empirically to what extent skills are transferable across jobs, the fundamental idea being that different professions combine tasks and thus task-specific skills in different ways. They utilize the notion that workers have numerous skills and that their skill profile matters for their performance in different tasks. They then derive conditions under which employers prefer to recruit workers within the same organization and this can either work in favor or against the performance of a hotel.

There are numerous empirical proofs that organizations indeed tend to hire internally, as shown by Agrawal et al., (2006), DeVaro and Morita (2009), and Lauterbach et al., (1999). Theoretical literature has proposed several justifications for this occurrence. For example, Chan (2016) emphasizes the enticements generated through promotions as a cause for restraining external hiring which would reduce the chances of promotion of current employees. Another explanation is provided by Greenwald (1986), who recommends a model where employers prefer internal hiring since they are conversant with the skill of workers they have employed for one period.

Demougine and Siow (2014) demonstrate that, with mounting hiring expenses, organizations may opt to train and screen workers themselves. However it is sufficient that the company has marginally better data about current employees compared to new ones. Employer learning is also considered in Meyer (1991) who proposes bias competitions amongst workers in order to have more understanding about their respective abilities. The author mentions the possibility of producing a bias through

task differentiation. But the notion is selected by Carrillo (2014) who evaluates how work assignment can be used as a screening device.

In Fairburn & Malcomson (2011), rewarding workers for good achievement is deputized to managers who are bound to yield and be influenced by activities of employees. The use of promotions instead of bonus payments assists in mitigating this problem. However, if workers are without any risk, promotion choices may be distorted and result in inefficient assignments. In particular, the performance magnitude for promotion may be reduced and too many employees was promoted. Koch & Nafziger (2012) have a similar result. In their model, the chances that little effort leads to greater output decreases as employees move up in the hierarchy.

Higher level jobs are more enlightening about employees' effort, thus decreasing the cost of incentives. This may outweigh the cost of a lesser success chance that a wrong assignment of the agent could have. As a result, the principal lowers the promotion threshold. Lazear (2004), conversely, expounds on the Peter Principle as the outcome of a statistical process that displays regression to the mean: A worker benefiting from a high temporary productivity shock will have higher yield and be more likely to become promoted. Nevertheless, over time, his productivity will return to its average value, therefore giving the impression that the employee's output fell after promotion which was tied to how the organization performs as whole.

Mounting competition amongst regions and cities in an information economy has turned skills and creativity into a much sought-after strategy for progression in tourism and hospitality. Increasingly inventive content has made its way into hospitality and tourism products, consequently transforming tourism and hospitality into an innovative arena(Richards, 2011). Most notably, creativity and skills have given providers of hospitality and operators in the tourism sector with a business antidote to deal with intense competition coming up from mass tourism, a type of tourism that encompasses the transport of large groups of people in a short period of time to places of leisure interest. Multivariate Skills and Employee Work Assignment have a positive association with organization performance. Personnel in the hospitality industry are usually required to have customer relation skills together with work related skills in order to do their duties effectively(Suh, West, & Shin, 2012).

Happy employees are a major source of competitive advantage. Brauer and Leischning (2016) tested whether a balance of challenges and abilities at advanced levels of underlying components is essential and/or sufficient for work enjoyment in hotels in America. The results of this fuzzy-set Qualitative Comparative Analysis indicated an asymmetrical causal relationship between balance of challenges and abilities at advanced levels and work satisfaction. Furthermore, post hoc analyses reveal complex configurations of job demands and resources that lead to work enjoyment.

Companies need talented and engaged people to achieve performance goals and create competitive gain (Crook, Todd, Combs, Woehr, & Ketchen, 2011). According to a Gallup (2013) study, only 13% of workers universally are engaged at work, 63% are not, and 24% even feel actively disengaged, signifying that they are unhappy at their place of employment and liable to spread negativity to co-workers. Employee well-being embraces a new perspective that considers necessary and sufficient conditions of work enjoyment. Work enjoyment refers to employees' assessments of work-life quality (Peters, Poutsma, Van der Heijden, Bakker, & de Bruijn, 2014) and describes the degree to which workers experience their job as intrinsically interesting or pleasurable (Graves, Ruderman, Ohlott, & Weber, 2012).

Prior research in various academic disciplines indicate several beneficial effects of positive emotions, such as a broadening of thought–action repertoires (Fredrickson & Joiner, 2002), more creative thinking and problem solving (Estrada, Isen, & Young, 2014), heightened likability and cooperation (Barsade, Ward, Turner, & Sonnenfeld, 2000), increased pro-social behavior (George, 1991), high work performance (Hsiao, Jaw, Huan, & Woodside, 2015), and better physical well-being and coping strategies (Diener, 2009). These effects have important implications for companies because they relate to employee, group, and firm-level outcomes and encompass a spectrum of managerial actions, as well as management of human resource (e.g., teamwork), sales management (e.g., personal selling), and innovation management (e.g., ideas for new product development).

2.2.4 Competition on growth of sales

Every industry has an underlying structure, or a set of fundamental economic and technical characteristics, that gives rise to these competitive forces. The strategist,

wanting to position his company to cope best with its industry environment or to influence that environment in the company's favor, must learn what makes the environment tick. Chandra (2006), this view of competition pertains equally to industries dealing in service and to those selling products principles apply to all types of business. New entrants to an industry bring new capacity, the desire to gain market share, and often substantial resources.

Hicks (2014) says companies diversifying through acquisition into the industry from other markets often leverage their resources to cause a shakeup. While a company must live with many of these factors – because they are built into industry economics – it may have some latitude for improving matters through strategic shifts. For example, it may try to raise buyers' switching costs or increase product differentiation. A focus on selling efforts in the fastest-growing segments of the industry or on market areas with the lowest fixed cost can reduce the impact of industry rivalry. If it is feasible, a company can try to avoid confrontation with competitors having high exit barrier and can thus sidestep involvement in bitter price-cutting.

In competitive environment, or in an environment in which it is difficult to differentiate between products or services, the factor that may persuade a consumer to buy from one supplier or another is the level of service they receive. The delivery of service is therefore a critical factor in the success or otherwise of businesses. The important of service delivery is such that consumers are often prepared to pay a premium price for a better service. The view that consumers will, when products are exactly the same, choose the lower priced product is too simplistic. In a highly competitive market it may be dangerous to compete on price alone. If one organization cuts their prices then a chain reaction may occur as other competitors also cut their prices. In such a price cutting war there may be no winners. Some enterprises will go out of business, others may have profits substantially reduced, and the number of surviving service providers in the market place was reduced leaving the consumer with less choice (Abernethy, 1999).

Competition between business or organizations can cause a phenomena known as "convergence". Each supplier in the market place maintains a watch on what other competitors do. If one supplier improves their product or service, the innovation

creates only a temporary advantage. Steenkamp (2002) other competitor will move quickly to copy the innovation and thereby eliminate the advantage of that supplier. It therefore becomes increasingly harder for consumers to differentiate or distinguish between suppliers. A competitive market place suppliers aim to create customer loyalty. This occurs when consumers continue to prefer a particular supplier even when there is evidence of prices being lower elsewhere or other products in the market place that may be better. Customers often continue to prefer a particular supplier because they believe they receive good service. It does not take much however for customer loyalty to be broken. This may be caused by reasons such as a faulty product, an impolite employee or being incorrectly charged.

Firms that are winners at the market place are different. These firms have unique capabilities and ability to provide superior value to customers on a continuous basis. They call themselves winners of the market place because they claim that they have the ability to do things that others cannot do. Mizell (2007) pose differences in the value of competitions prodded to consumer are based on differences in skills and resources and business systems. They could include special knowledge about technology or markets the ability of people from different functional area to work together or attitudes about the important of the consumers. Good customer care gives customer satisfaction and companies must watch on the customers rising expectations all the time, if they have the slightest chance of surviving in this competitive market.

Many organizations and their leaders are habitually fixated on sales, marketing, advertising and promotion desperately striving to attract new customers while paying scant regard to the many customers that are leaving, just for the want of some simple effective customer service and care. We see this particularly in highly competitive and profitable sectors, where new customers are commonly extended better terms and attention than existing customers. Leaders and spokespeople will blame the competitive market, and the fickleness of customers, but ultimately when a customer leaves a supplier it's because they are unhappy about the service they are receiving (Kroes, 2002).

As a general rule therefore a focused strategy is often best suited to smaller firm since it is typically these which have flexibility to respond quickly to specialized needs to

the small segments. Benefits include a more detailed understanding of particular segment, creation of barriers to entry, a reputation for specialization and the ability to concentrate their efforts. Olima (2014) competitive differentiation occurs when a firm somehow differentiates its product or service from that of competitors. Competitive differentiation may be an actual difference, such as a longer warranty or a lower price, but often the difference is only perceived. Difference in perception is usually accomplished through advertising, the purpose of which is to convince consumers that one company's product is different from another company's product. Common ways to differentiate a product or service include advertising a better-quality product, better service, better taste, or just a better image.

One product may cost twice as much as similar products on the market, chances are most consumers will avoid buying the more expensive product and buy the competitors' products instead. There can be few or many competitors (typically many) in a monopolistic industry, and it is somewhat difficult to enter or leave such an industry. An oligopoly exists when there are few sellers in a certain industry. This occurs because a large investment is required to enter the industry, which makes it difficult to enter or leave. The type of products sold in an oligopoly can be similar or different, and each seller has some control over price, examples of oligopolies include the automobile, airplane, and steel industries (Cannon, 2011).

2.3 Summary and Research Gap

Organizations ought to be attentive with what is going on in the external business environment to be able to curb the challenges the business environment poses. Every business operates in a particular environment that includes general environment and competitive environment. In this case, the general business environmental factors for organization includes, political, economic, social, technological, environment, legal. The competitive business environmental factors include customers, creditors, suppliers, competitors, and substitutes. The hospitality industry is a major source of tourism revenue in Kenya. It however faces various challenges like, insecurity, technological advancement, political and economic instability. Previous studies conducted in other industries and hospitality industry were response strategies adopted by the organizations to changes in environment as a whole. However, the interdependent relationship between marketing strategies and performance of large

hotels has not been brought out clearly. This study seeks to understand the interdependent relationship that exists between organizations and their external business environment and marketing strategies adopted for growth and success.

2.4 Conceptual Framework

The framework below is adopted in the study to show the relationship between independent and dependent variables. The following variable has some relation with the factors affecting Growth of sales in the hotel Sector in Kenya.

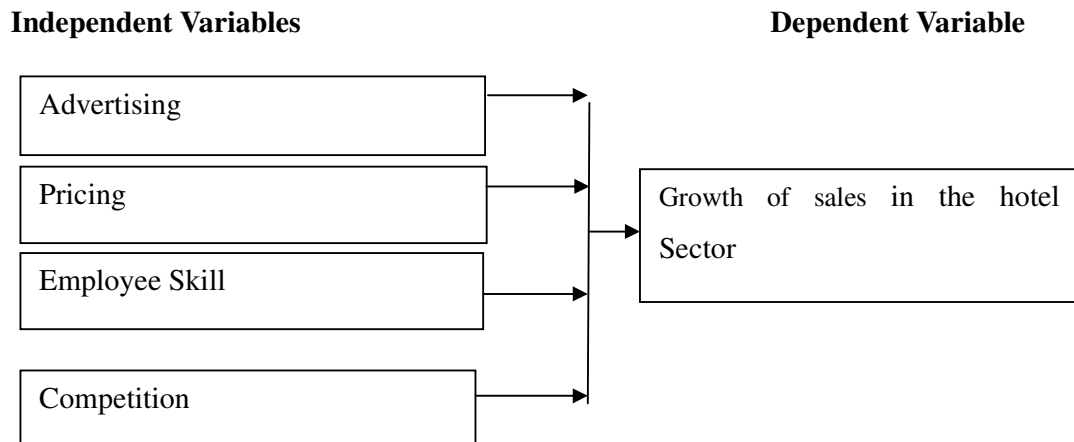


Figure 2.1 Conceptual framework

2.5 Operationalization of Variables

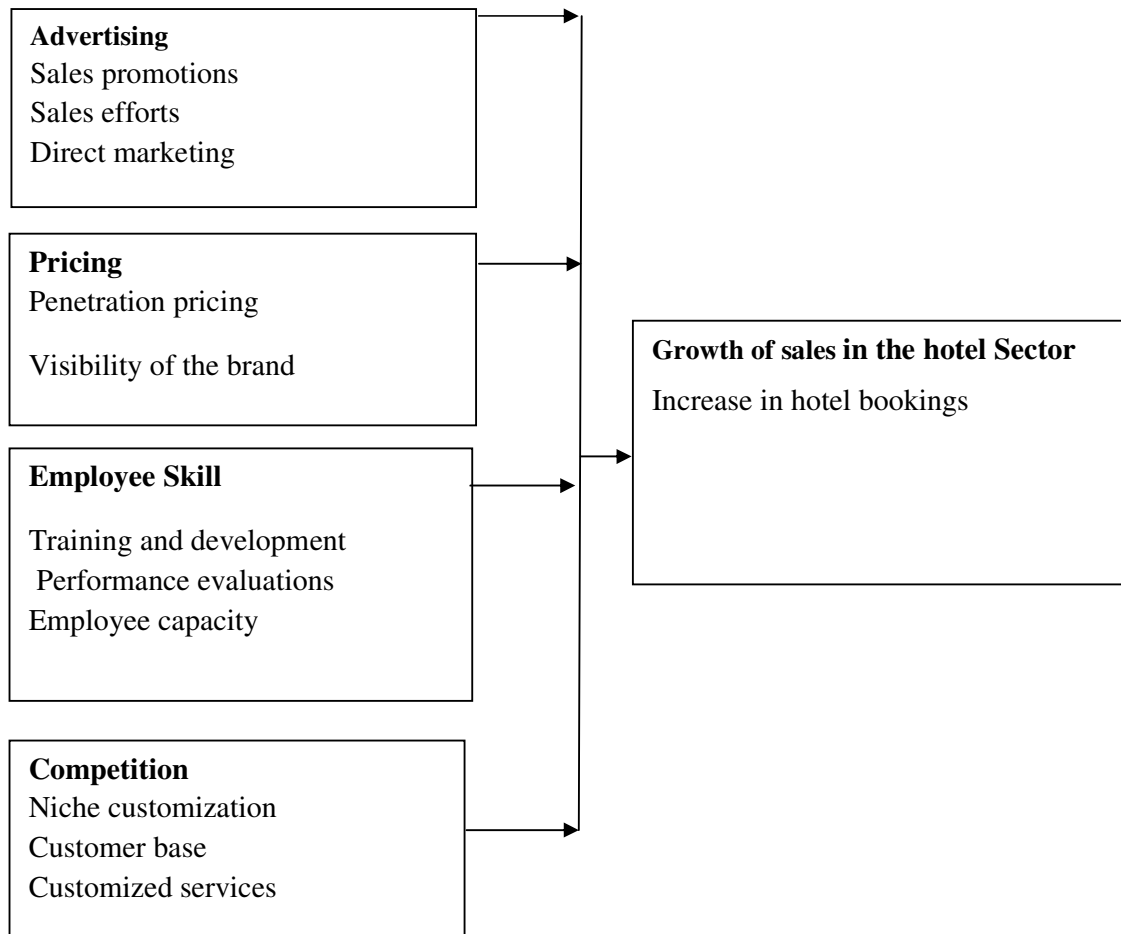


Figure 2.2Operationalization of Variables

2.6 Chapter Summary

This chapter reviewed the theoretical aspect of the study, it's the secondary data of the research and it is carried out to give the theoretical account of the study where it had three theories;The Universal Perspective theory, Ansoff Growth Model and Resource-Based View/theory (RBV), . It focuses on the review of past studies on the topic of the research study from a global and local perspective. It also covers the objectives of the study acknowledging the sources of the information about the objectives, the critical analysis of the theoretical review and the summary of the research study.

CHAPTER THREE

RESEARCH DESIGN AND METHODOLOGY

3.0 Introduction

This chapter presents the methodology used in the study. It discusses methods used to gather information relevant to the hypothesis, which guides this study. It discusses aspects such as research design, target population, sampling design and sample size, data collection methods and procedure of data analysis employed in the study.

3.1 Research Design

Research design is the plan and structure of investigation so conceived as to obtain answers to research questions. The plan is the overall scheme or program of the research (Mugenda, 2014). Descriptive research design was employed in this study, As per Kombo and Tramp (2006); descriptive research design is an intense type of subjective examination and includes a watchful and finish perception of a social unit being a man or family. This research design is fundamental in light of the fact that the researcher has no impact over the variable and can report what has happened and what is happening and use investigation instruments like surveys. Drawing in investigation setup is moreover tremendous in light of the fact that it limits biasness and saves time.

3.3 Target Population

Kombo and Tramp (2006) characterizes target population as all inclusive arrangement of the investigation of all individuals from genuine or speculative arrangement of individuals, occasions or protests which a researcher wishes to sum up the outcomes and make references. The investigation targeted a population of three hundred (300) which is the total employees working at Nairobi serena hotel in kenya.

Table 3.1 Target Population

Category	Target Population	Percentage
Management	21	14%
Supervisors	42	28%
Support staff	87	58%
Total	150	100%

Source: Nairobi Serena hotel, (2018)

3.4 Sample and Sampling Technique

Purposive sampling procedure was used to identify the sample population of 150 which the researcher felt was manageable in terms of study and cost effective. To come up a fair representation stratified random sampling technique was adopted to ensure all categories are equitably represented in the sample. Respondents were chosen at random from the strata. The technique is appropriate because it allows the researcher to divide the population and reach the required size that provides reliable detailed information. Kothari, (2012) notes that when comparing stratified random technique with other techniques, it is appropriate as it allow examining of variance within and among the possible stratifications. (Mugenda, 2014) Notes that stratified random sampling ensures inclusion in the sample sub-group that would be committed entirely by other sampling method because of their small number in the population.

3.4 Instruments

The study used primary data which target the employees of the organization and its management under study. The questionnaires were completed by key decision makers involved in the human resource management. Bee, (2012) notes that use of questionnaire ensured that confidentiality is upheld, saves on time, it is very easy to administer. The questionnaires included organized and unstructured inquiries and were directed through drop and pick strategy to respondents who are the representatives of the firm. The organized inquiries were utilized as a part of a push to save time and cash and in addition to encourage in less demanding examination as they are in quick usable frame; while the unstructured inquiries was utilized in order

to urge the respondent to surrender inside and out and felt reaction without feeling kept down in uncovering of any data.

3.5 Pilot Study

Piloting is done to test the reliability of the instruments. In this examination, reliability was achieved by pre-testing the questionnaire with a choice from non-respondent. The results of the pilot study were not incorporated into the findings. Harper, (2012) contends that for a survey to deliver valuable outcomes, it must have legitimacy and unwavering quality. The pilot test sample population should be 10% of the target population. The questionnaires were pre-tested on five respondents. These respondents were not included in the final study. The questionnaires were then corrected before the final distribution is done.

3.5.1 Validity

Trochim (2006) defines validity as a result of the degree to that a check lives what it's purported to measure. Its miles uncommon, if nearly unfeasible, that questioner tool be 100% valid, therefore validity is usually measured in tears. As a fashion, validation includes assembling and analyzing facts to assess the accuracy of an instrument. To verify validity, the questionnaires had been confirmed by the supervisor. The validating tests were on right construction of form and therefore the contents of the questions. This was performed by means that of formulating the form and gift to the supervisor for a review and steering.

3.5.2 Reliability test

Reliability analysis was done to work out the reliability of the form. The study used the Cronbach's Alpha. Gliem and Gliem (2013) established the Alpha value threshold at 0.7, therefore forming a benchmark for the study. The Cronbach's alpha was to verify the reliability of each objective. The findings as shown in table 3.3 indicate that Employee skills with an alpha value of 0.764, innovation as with an alpha value of 0.723, managerial efficiency as an alpha of 0.842 and Geographic Location an alpha of zero.817. This shows that Managerial efficiency is reliable.

3.6 Data Collection Procedure

The researcher administered the research instruments individually to the staff upon authority. While exercising care and control to ensure all questionnaires were issued to the respondents are received, the researcher maintained a register of questionnaires,

Questionnaires used in the study were hand-delivered and they were collected after two days. The type of questions to be used included both open and closed ended. Closed ended questions were used to ensure that the given answers are relevant. The researcher phrased the questions clearly in order to make clear dimensions along which respondents was analyzed. In open ended questions, space was provided for relevant explanation by the respondents, thus giving them freedom to express their feelings. This method was effective to the study in that; it created confidentiality. The presence of the researcher was not required as the questionnaire were self-explanatory.

3.7 Data Analysis and Presentation

According to Kothari, (2012) data analysis procedure includes the process of packaging the collected information putting in order and structuring its main components in a way that findings can be easily and effectively communicated. After the fieldwork, before analysis, all questionnaires were adequately checked for reliability and verification. Editing, coding and tabulation were carried out. The data collected were analyzed using simple qualitative and quantitative methods and were presented using tables, figures and charts.

3.8 Ethical Considerations

Confidentiality of the data to be gathered through the questionnaires and anonymity of the respondents was guaranteed. The respondents were required not to indicate their names on the questionnaires. The secondary data gathered from outer sources were not modified, kept confidential and was utilized with the end goal of this examination only. The respondent consent was looked for and they were not compelled to respond to the questions on the off chance that they were not willing to do as such.

3.8.1 Informed Consent

Before conducting the research, the researcher did a pre visit to the organization and seeked information from the organization management. The researcher was involved the management on the extent and what information the researchers seek.

3.8.2 Voluntary Participation

The research was voluntary and none of the respondent was cowered to take part in the research however the researcher took time to explain to the respondents the importance of this research to them and to the research and any participation was highly appreciated.

3.8.3 Confidentiality

All data that was collected in the organization was only for education purpose and no information was reproduced without the consent of the organization and the researcher. All the questionnaires that were distributed were attached with a copy of the introductory letter and a copy of the student identification card.

3.8.4 Privacy

The respondents were assured that the information they shared was confidential and all respondents were not allowed to give their personal details and all information was coded. All the questionnaires that were distributed were attached with a copy of the introductory letter and a copy of the student identification card.

3.8.5 Anonymity

A “strictly anonymous” study design is one in which it is impossible to trace data or information back to the research subject from whom it was obtained. In other words, the data cannot be identified to any particular research participant, not even by the researcher. The research did a total separation, the study design involved in the creation of a code linking the subject’s identity to a pseudonym, as the identity of the subject can be traced to the data, written consent form was collected, and this consent form has to be separated from the data that the subject provides.

3.9 Chapter Summary

This research methodology chapter provides a research methodology; research, target population, sample and sampling technique, instruments, pilot study, data collection procedure, data analysis and presentation, ethical considerations and chapter summary. The next chapter provides the research findings and discussion that were used by the study.

CHAPTER FOUR

DATA ANALYSIS AND INTERPRETATION OF FINDINGS

4.0 Introduction

This chapter covers data analysis and interpretation of findings. The chapter addresses the general information about respondents, the findings generated from the study, descriptive and inferential statistics.

4.1 Presentation of Research Findings

4.1.1 Response Rate

Table 4.1: Response Rate

Response	Frequency	Percent
Returned	45	100
Unreturned	0	0
Total	45	100

A total of 45 respondents were involved in the study from which 45 of the respondents filled the questionnaire and returned with a percentage rate of 100% whereas 0% of questionnaires were not returned. For this reason, the study established that the response rate was considered excellent. From the analysis it can be concluded that majority of the respondents were able to participate in the study. According to Schein (1992), above 60% is an excellent response rate, 50% response rate is good while 30% is not viable. This is as shown in Table 4.1

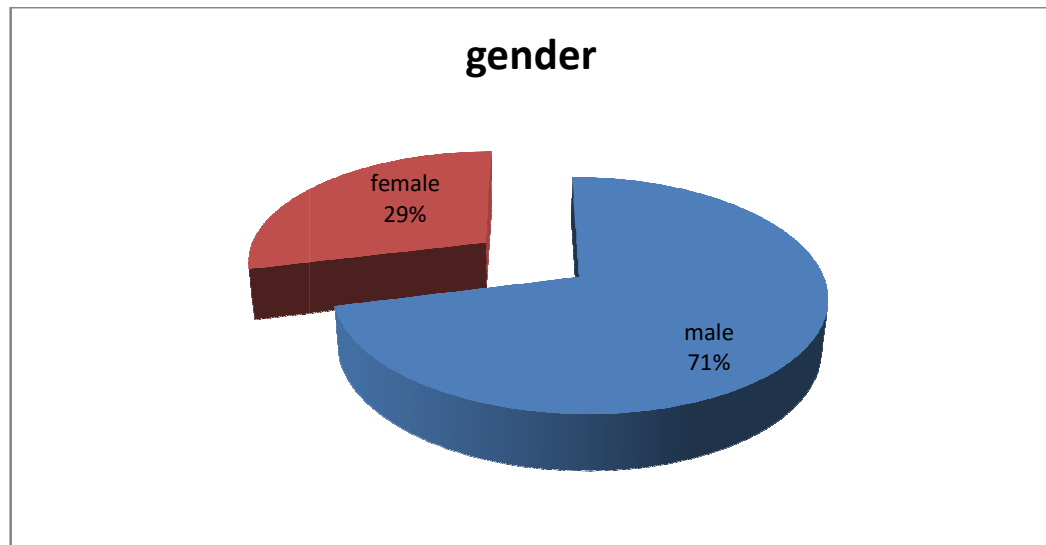
4.1.2 Gender of respondents

The researcher sought to find out the gender of the respondent. Table 4.2 and figure 4.2 show the response.

Table 4.2 Gender of Respondents

gender	Frequency	Percent	Cumulative Percent
male	32	71.1	71.1
female	13	28.9	100.0
Total	45	100.0	

Figure 4.1 Gender of Respondents



The respondents were asked to indicate their response on gender According to the findings, 71.1% of the respondents were male while 28.9% were female respondents and was shown on table and figure 4.2. The interpretation derived from the study revealed that there was gender imbalance.

4.1.3 Highest Educational Level

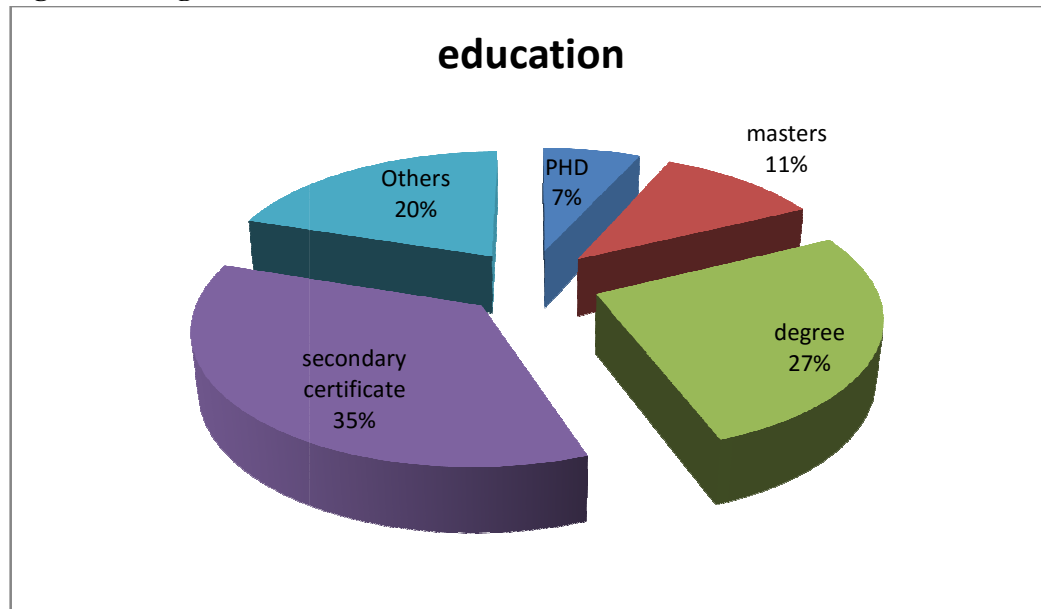
The researcher sought to investigate the education level of employee at Kevian Kenya Ltd the findings were as follows

Table 4.3 Highest Educational Level

	Frequency	Percent	Cumulative Percent
PHD	3	6.7	6.7
masters	5	11.1	17.8
degree	12	26.7	44.4

secondary certificate	16	35.6	80.0
Others	9	20.0	100.0
Total	45	100.0	

Figure 4.3 Highest Educational Levels



The table 4.4 and figure 4.3 shows that the majority of respondents have college level of education with 54% confirming, 46% of the respondents said they had university education, none of the respondents said they had secondary level of education still none of the respondents had primary level education. This showed that majority of the respondents had diplomas from college and were educated. Based on the research findings it interpreted most of the employees at Nairobi Serena hotel hence able to meet performance target highly contributing to a high sales growth rate

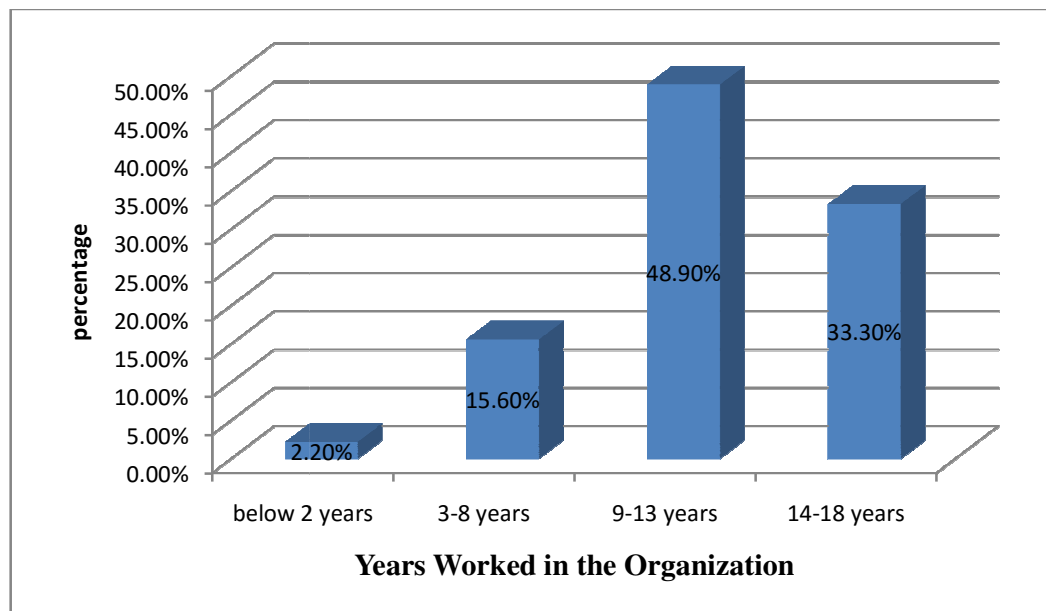
4.1.4 Analysis on Number of Years Worked in the Organization

Table 4.4 Number of Years Worked in the Organization

	Frequency	Percent	Valid Percent	Cumulative Percent

below 2 years	1	2.2	2.2	2.2
3-8 years	7	15.6	15.6	17.8
9-13 years	22	48.9	48.9	66.7
14-18 years	15	33.3	33.3	100.0
Total	45	100.0	100.0	

Figure 4.4 Number of Years Worked in the Organization



From the table 4.4 shows that majority of the respondents 48.9% of the respondents have a work experience of 9 to 13 years, 2.2% of the respondents had work experience of less than two years, 15.6% of the respondents had a work experience of 3 to 8 years while the remaining 33.3% had a work experience of 14 - 18year and above. This showed that majority of the respondents had a work experience of 9 to 13 years.

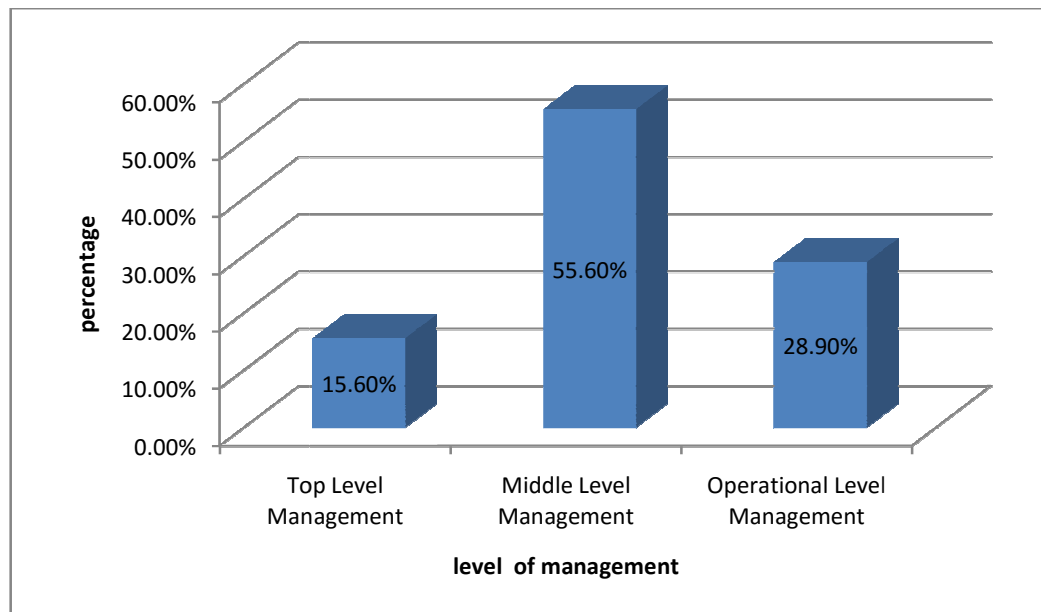
4.1.5 Management Level

Table 4.5 Analysis on Management Level

	Frequenc y	Percent	Valid Percent	Cumulative Percent
Top Level Management	7	15.6	15.6	15.6

Middle Level Management	25	55.6	55.6	71.1
Operational Level Management	13	28.9	28.9	100.0
Total	45	100.0	100.0	

Figure 4.5 Analyses on Management Level



Based on the research findings from table 4.5 the respondents were asked to indicate their management level 15.07% of the respondents indicated there in the top level management, 55.60% of the respondents indicated that they are in the middle management level, while the majority of the respondents were in the operational level management as indicated by 28.90%.

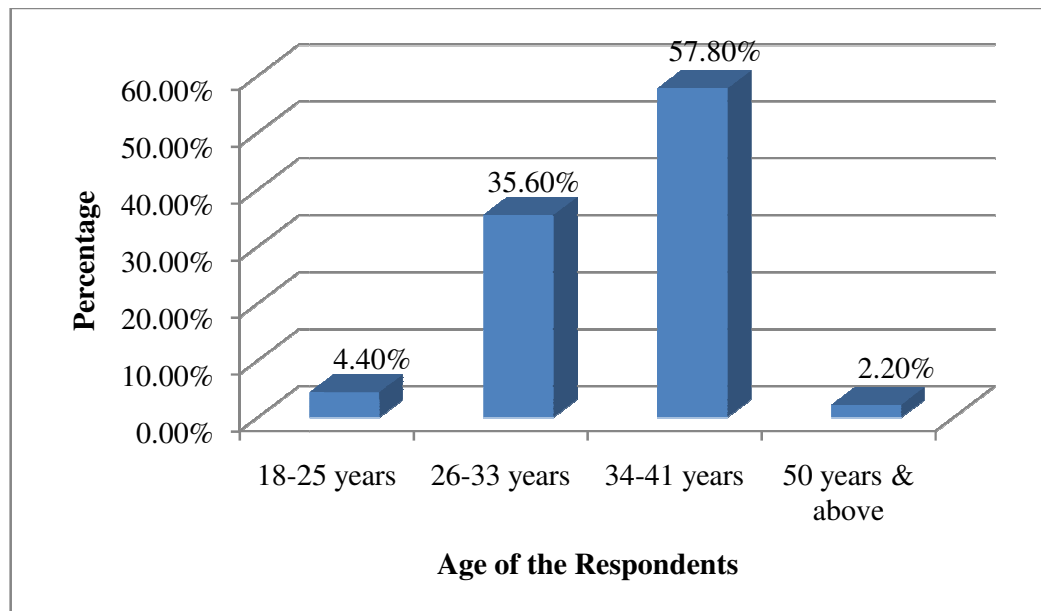
4.1.6 Age of the Respondents

Table 4.6 Analysis on the Age of the Respondents

	Frequency	Percent	Cumulative Percent
18-25 years	2	4.4	4.4
26-33 years	16	35.6	40.0

34-41 years	26	57.8	97.8
50 years & above	1	2.2	100.0
Total	45	100.0	

Figure 4.6 Analyses on the Age of the Respondents



Tables 4.6 indicate analysis on age brackets of the respondents. Based on those respondents, majority of the respondents were in the age bracket of 34-41 years, 4.40% of the respondents indicated they were between the age of 18 years and 25 years, while 35.60% of the respondents indicated they were within the age bracket of 26 year and 33 years, lastly 2.20% of the respondents indicated were within the age bracket of 50 years and above.

4.1.7 Advertising

Table 4.7 Analysis on advertising on growth of sales in the hospitality industry in Kenya

	N	Mean	Std. Deviation
Making hotel brand visible to our niche market	45	3.3778	.91176
Having employees develop the mind sets and capabilities behind the niche customer-centric agenda	45	3.4000	1.43654
Establishing an organizational structure in place that enables niche customer centricity in business decisions	45	3.8667	.78625
Establishing new market segments based on psychological/prestige	45	4.0222	1.19637
Valid N (listwise)	45		

The respondents had been asked to indicate their level of agreement with statements pertaining to advertising on growth of sales in the hospitality industry in Kenya. The findings are presented in table 4.7. According the findings the respondents stated Making hotel brand visible to our niche market had a mean of 3.3778, Having employees develop the mind sets and capabilities behind the niche customer-centric agenda was represented with mean of 3.4000, Establishing an organizational structure in place that enables niche customer centricity in business decisions was presented via a mean of 3.8667, while lastly Establishing new market segments based on psychological/prestige via a mean of 4.0222 based on the research findings it was concluded that Establishing new market segments was the key strategies adopted by

the hotel to growth of salesthis study finding concurs withGibson (1991) talks of advertising strategies being concerned with communication transmitted through the mass media. Promotional mix strategy involves determination of a judicious mix of different types of promotion. Its objective is to adequately blend the three types of promotion to complement each other for a balanced promotional perspective. Media selection strategy entails choosing the channels (newspapers, magazines, television, radio, outdoor advertising, transit advertising, and direct mail) through which messages concerning a product/service are transmitted to the targets.

4.1.8 PricingStrategies

Table 4.8 Analysis on PricingStrategies on growth of sales in the hospitality industry in Kenya

	N	Mean	Std. Deviation
Extensive introductory sales promotions	45	3.1333	1.21730
Extensive sales force efforts	45	3.4667	1.05744
Penetration pricing on services	45	3.4444	1.32383
Extended credit terms on services given	45	3.3111	1.22144
Direct marketing on services and products	45	3.6444	1.29957
Valid N (listwise)	45		

The respondents had been asked to indicate their level of agreement with statements pertaining to pricing strategies on growth of sales in the hospitality industry in Kenya. The findings are presented in table 4.8. According the findings on the statement Extensive introductory sales promotions as a way of growing of sales in the hospitality industry in Kenya was represented via a mean of 3.1333, Extensive sales force efforts as a way of growing of sales in the hospitality industry in Kenya was represented via a mean of 3.4667, Penetration pricing on services as a way of growing

of sales in the hospitality industry in Kenya was represented via 3.4444, Extended credit terms on services given as a way of growing of sales in the hospitality industry in Kenya was presented via a mean of 3.3111 and lastly Direct marketing on services and products as a way of growing of sales in the hospitality industry in Kenya was presented with a mean of 3.6444 the study findings concur with Kottler (2013) stresses that a hotel must set its Pricings in relation to the value perceived and delivered to the customer. He says a hotel must set a Pricing for the first time when it develops a new service or a product. And when is put into practice, a hotel has to consider several factors namely; selecting the Pricing, objectives of the Pricing, competitors cost and consumer assessment. He further stresses that the Pricing decisions are subject to arrangement of complex environment and competitive forces. A hotel set a not just a single Pricing but sets a pricing structure that covers various items in its line. Pricing changes as product and services advances and the hotel adjust the Pricing according to the demand and to account for variation in buyer's situation (customer).

4.1.8 Employee Skills

Table 4.9 Analysis on Employee Skills on growth of sales in the hospitality industry in Kenya

	N	Mean	Std. Deviation
Hotel offers training to its employee on improving customer service	45	3.4889	1.29021
training is basically to bridge the gap between job requirement and present competence of an employer	45	3.4222	1.30539
Employee skill in service delivery and responding to customers directly impacts hotel performance	45	3.8667	1.17937
Valid N (listwise)	45		

The respondents had been asked to indicate their level of agreement with statements pertaining to employee skills on growth of sales in the hospitality industry in Kenya. The findings are presented in table 4.9. According the findings on the statement; Hotel offers training to its employee on improving customer service in an aid to promote of growth of sales in the hospitality industry in Kenyaas presented by a mean of3.4889, training is basically to bridge the gap between job requirement and present competence of an employer as shown by a mean of 3.4222, Employee skill in service delivery and responding to customers directly impacts hotel performance as shown by a mean of 3.8667 this study findings concurs with (Brilon, 2015) that stated Organizations should find efficient ways to assign workers to jobs. In most organizations, the performance of a worker depends on many things, such as one's expertise level, one's concentration and organizational capacity, as well as one's analytical and communication skills. As workers move up in the pecking order or switch jobs, the relative importance of each of these skills changes. Yet, organizations frequently can only detect a collective performance measure on which to base their decisions when deciding on promotions or allocating tasks. Therefore, presented with such a scenario, only specific workers should get reassigned or promoted and performance in one job may act as an indicator for performance in another job.

4.1.9 Competition

Table 4.10 Analysis on Competition on growth of sales in the hospitality industry in Kenya

	N	Mean	Std. Deviation
Customization/niche in offering services	45	4.4222	6.14036
Offering incentives to the employees	45	3.5333	1.34164
Ensuring customer satisfactory is achieved	45	2.8667	1.21730
Increasing diversity of the hotel's culture	45	3.3111	1.14460

Clients receive customized services	45	3.2889	1.32497
Valid N (listwise)	45		

The respondents had been asked to indicate their level of agreement with statements pertaining to competition on growth of sales in the hospitality industry in Kenya. The findings are presented in table 4.10. According the findings on Customization/niche in offering services as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 4.4222, Offering incentives to the employees as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 3.5333, Ensuring customer satisfactory is achieved strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 2.8667, Increasing diversity of the hotel's culture as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 3.3111, Clients receive customized services as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 3.2889. based on the analysis of findings it was established that the study finding concurs with Steenkamp (2002) other competitor will move quickly to copy the innovation and thereby eliminate the advantage of that supplier. It therefore becomes increasingly harder for consumers to differentiate or distinguish between suppliers. A competitive market place suppliers aim to create customer loyalty. This occurs when consumers continue to prefer a particular supplier even when there is evidence of prices being lower elsewhere or other products in the market place that may be better. Customers often continue to prefer a particular supplier because they believe they receive good service. It does not take much however for customer loyalty to be broken. This may be caused by reasons such as a faulty product, an impolite employee or being incorrectly charged.

4.1.10 Correlations

Table 4.11 Correlations of Variables

		advertisin g	pricing	employee skill	competition
advertising	Pearson Correlation	1	.199	-.219	-.459**
	Sig. (2-tailed)		.189	.149	.001
	N	45	45	45	45
pricing	Pearson Correlation	.199	1	-.042	.071
	Sig. (2-tailed)	.189		.782	.641
	N	45	45	45	45
employee skill	Pearson Correlation	-.219	-.042	1	.068
	Sig. (2-tailed)	.149	.782		.657
	N	45	45	45	45
competition	Pearson Correlation	-.459**	.071	.068	1
	Sig. (2-tailed)	.001	.641	.657	
	N	45	45	45	45

**, Correlation is significant at the 0.01 level (2-tailed).

The study used Pearson correlation to determine whether there is relationship between the variables. Person correlation coefficient determines the linear relationship between

variables which is between +1 to -1. The correlation is considered significant when the probability is below 0.05. From the table 4.21 there is strong relationship between advertising, pricing, employee skill, competition and growth of sales in the hospitality industry.

4.2 Limitations of Study

4.2.1 Bureaucracy

Organizations have various procedures that are outlined publicly to govern movement of people to the organization and from the organization. However some procedures are usually too tedious to the dislike of visitors/researchers. This was characterized by long procedures and regulations that were expected to be followed. Despite such challenges, the researcher was adequately prepared to abide by all the regulations so that a successful research study could be carried out.

4.2.2 Inaccessibility to the Company

The researcher had initially been denied access based on the restrictive policies against external researchers and especially private research studies. This was due to the recorded history of exploring and exposing inefficiencies in various organizations. However, the researcher overcame this challenge by using an introduction letter from Management University of Africa which showed the purpose of this study so that gaining accessibility could be achieved.

4.2.3 Lack of Cooperation

The researcher still experienced challenges on lack of cooperation. Some of the staff within this organization had reluctantly declined to participate in this research in pretence of not very genuine reasons. As a result, quite a number of respondents would have failed to provide the data. However, to counter this challenge, the researcher had to assure the respondents that this study was only covering the academic goals.

4.3 Chapter Summary

This chapter was about data analysis. The chapter first introduces information about information from the respondents in terms, gender of Respondents, Years of work experience of respondents and Education Level of Respondents. The chapter was further categorized in to quantitative analysis that revolved around discussing the objectives of the study, The chapter also addressed the limitations of the study.

CHAPTER FIVE

SUMMARY, RECOMMENDATIONS AND CONCLUSIONS

5.0 Introduction

This chapter presented a summary on findings, conclusion and recommendations. This was based on factors influencing growth of sales in the hospitality industry in Kenya,

5.1 Summary of Findings

5.1.1 How advertising affect growth of sales inHospitality industry

According the findings the respondents stated Making hotel brand visible to our niche market had a mean of 3.3778, Having employees develop the mind sets and capabilities behind the niche customer-centric agenda was represented with mean of 3.4000, Establishing an organizational structure in place that enables niche customer centricity in business decisions was presented via a mean of 3.8667, while lastly Establishing new market segments based on psychological/prestige via a mean of 4.0222 based on the research findings it was concluded that Establishing new market segments was the key strategies adopted by the hotel to growth of salesthis study finding concurs withGibson (1991) talks of advertising strategies being concerned with communication transmitted through the mass media. Promotional mix strategy involves determination of a judicious mix of different types of promotion. Its objective is to adequately blend the three types of promotion to complement each other for a balanced promotional perspective. Media selection strategy entails choosing the channels (newspapers, magazines, television, radio, outdoor advertising, transit advertising, and direct mail) through which messages concerning a product/service are transmitted to the targets.

5.1.2How pricing affect growth of sales in Hospitality industry

According the findings on the statement Extensive introductory sales promotions as a way of growing of sales in the hospitality industry in Kenya was represented via a mean of 3.1333, Extensive sales force efforts as a way of growing of sales in the hospitality industry in Kenya was represented via a mean of 3.4667, Penetration pricing on services as a way of growing of sales in the hospitality industry in Kenya was represented via 3.4444, Extended credit terms on services given as a way of growing of sales in the hospitality industry in Kenya was presented via a mean of 3.3111 and lastly Direct marketing on services and products as a way of growing of sales in the hospitality industry in Kenya was presented with a mean of 3.6444 the study findings concur with Kottler (2013) stresses that a hotel must set its Pricings in relation to the value perceived and delivered to the customer. He says a hotel must set a Pricing for the first time when it develops a new service or a product. And when is put into practice, a hotel has to consider several factors namely; selecting the Pricing, objectives of the Pricing, competitors cost and consumer assessment. He further stresses that the Pricing decisions are subject to arrangement of complex environment and competitive forces. A hotel set a not just a single Pricing but sets a pricing structure that covers various items in its line. Pricing changes as product and services advances and the hotel adjust the Pricing according to the demand and to account for variation in buyer's situation (customer).

5.1.3How customer service affect growth of sales in Hospitality industry

According the findings on the statement; Hotel offers training to its employee on improving customer service in an aid to promote of growth of sales in the hospitality industry in Kenyaas presented by a mean of3.4889, training is basically to bridge the gap between job requirement and present competence of an employer as shown by a mean of 3.4222, Employee skill in service delivery and responding to customers directly impacts hotel performance as shown by a mean of 3.8667 this study findings concurs with (Brilon, 2015) that stated Organizations should find efficient ways to assign workers to jobs. In most organizations, the performance of a worker depends on many things, such as one's expertise level, one's concentration and organizational capacity, as well as one's analytical and communication skills. As workers move up

in the pecking order or switch jobs, the relative importance of each of these skills changes. Yet, organizations frequently can only detect a collective performance measure on which to base their decisions when deciding on promotions or allocating tasks. Therefore, presented with such a scenario, only specific workers should get reassigned or promoted and performance in one job may act as an indicator for performance in another job.

5.1.4 How competition affect growth of sales in hospitality industry

According the findings on Customization/niche in offering services as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 4.4222, Offering incentives to the employees as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 3.5333, Ensuring customer satisfactory is achieved strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 2.8667, Increasing diversity of the hotel's culture as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 3.3111, Clients receive customized services as a strategy to promote on growth of sales in the hospitality industry in Kenya was shown via a mean of 3.2889. based on the analysis of findings it was established that the study finding concurs with Steenkamp (2002) other competitor will move quickly to copy the innovation and thereby eliminate the advantage of that supplier. It therefore becomes increasingly harder for consumers to differentiate or distinguish between suppliers. This occurs when consumers continue to prefer a particular supplier even when there is evidence of prices being lower elsewhere or other products in the market place that may be better. Customers often continue to prefer a particular supplier because they believe they receive good service. It does not take much however for customer loyalty to be broken. This may be caused by reasons such as a faulty product, an impolite employee or being incorrectly charged.

5.2 Conclusion

It was concluded that advertising influence the growth of sales in the hospitality

industry in Kenya. From the findings majority of respondents that pricing strategies have influenced on growth of sales in the hospitality industry in Kenya. This implies that Pricing Strategies has an influence on growth of sales in the hospitality industry in Kenya. The analysis shows most of respondents were in agreement that employee skills has a great effect on the growth of sales in the hospitality industry in Kenya. This implies that employee skills have growth of sales in the hospitality industry in Kenya.

From the findings majority of the respondents agreed that competition has an influence on growth of sales in the hospitality industry in Kenya while a few of the respondents disagreed. It was concluded that competition has an influence on growth of sales in the hospitality industry in Kenya.

5.3 Recommendations

- i. The performance of the organization may be determined greatly by the type of marketing strategies employed. The study thus recommends that the implementation process of these marketing strategies should be given top priority during the strategy formulation process. Particularly, adequate time and resources should be allocated in ensuring that the strategies are implemented successfully.
- ii. Further, the marketing strategies adoption should be supported by an understanding of the hotel industry structure, the needs of target customer segments, positional advantages being sought, and trends in the environment. This will consequently improve on the firm's market revenue, share and profitability. Additionally, the organizations should focus more on the practices that are likely to accrue more benefits. This should therefore go a long way in not only boosting but also improving the organization performance at large.

5.4 Suggestions for Further Research

The study was only limited to Nairobi Serena hotels in Nairobi County. So as to enable generalization of the findings, the study suggests that further study to be conducted on hotels in other parts of the country. Additionally, a study could be conducted on other organizations other than the hotels such as the manufacturing sector so as to establish whether the similar phenomena prevail in these organizations.

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APPENDIX 1: Introduction letter to Nairobi Serena Hotel

Kipkirui Korir

Management University of Africa,

P.O Box 29677-00100, Bellevue, South. C, Nairobi.

Tel: 020-2361160/1: Mobile: 0723478326

15th July 2018

The Human Resources Manager

Nairobi Serena Hotel

Dear Madam,

RE: RESEARCH PROJECT

I am a student at the Management University of Africa pursuing a Bachelor's degree in Management and Leadership. I am currently conducting a research project as part of the fulfillment of the requirement to attain the degree. My topic of study is to investigate *THE FACTORS AFFECTING THE GROWTH OF SALES IN THE HOSPITALITY INDUSTRY: THE CASE OF NAIROBI SERENA HOTEL*. My target population include senior management and all employees at Nairobi Serena. I would like to request the management to allow me administer the attached questionnaire which I intend to give to respondents and collect later. The information that will be provided by your staff is strictly for academic purposes and shall not be used for any other purposes. I promise you confidentiality under the academic ethics act in Kenya. Your input will go a long way to facilitate this research study which will be useful to your organization and the government in policy formulation.

I will appreciate your help in my research effort

Yours sincerely

Kipkirui Korir

Tel: 0723478326

Admission. NO: BML/13/00484/1/2016

Appendix II: Questionnaire

This study seeks to highlight the relationship between marketing strategies and performance of large hotels in Kenya. All information received was treated confidentially and be used for academic purposes only. Answer by writing in the spaces provided or by ticking in the appropriate box.

SECTION A: BACKGROUND INFORMATION

1. What is your highest level of education?

- a) PHD ()
- b) Masters ()
- c) Bachelors' Degree ()
- d) Diploma ()
- e) Secondary Level ()
- f) Any Other (Specify).....

2. Kindly indicate how long you have served in this organization

- a) Below 2 years ()
- b) 3-8 Years ()
- c) 9-13 years ()
- d) 14-18 years ()
- e) Over 19 years ()

SECTION B: Advertising

5. Advertising strategies

This section aims at establishing the advertising adopted by the hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
Making hotel brand visible to our niche market					
Having employees develop the mind sets and capabilities behind the niche customer-centric agenda					
Establishing an organizational structure in place that enables niche customer centricity in business decisions					
Establishing new market segments based on psychological/prestige					

5. Pricing strategies

This section aims at establishing the pricing strategies adopted by the hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
Extensive introductory sales promotions					
Extensive sales force efforts					
Penetration pricing on services					
Extended credit terms on services given					
Direct marketing on services and products					

3. Employee skill

This section aims at establishing the employee skill in relation to growth of sales by

the hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
Hotel offers training to its employee on improving customer service					
training is basically to bridge the gap between job requirement and present competence of an employer					
Employee skill in service delivery and responding to customers directly impacts hotel performance					

7. Competition

This section aims at establishing the competition strategies adopted by the hotels. Kindly use a scale of 1 to 5 where 1 is to very small extent, 2 to small extent, 3 to moderate extent, 4 to large extent and 5 to very large extent to rate the following statements.

Statement	1	2	3	4	5
Customization/niche in offering services					
Offering incentives to the employees					
Ensuring customer satisfactory is achieved					
Increasing diversity of the hotel's culture					
Clients receive customized services					